

SECRET

Prime Minister



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Agree meeting
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I understand the Home Secretary, Foreign Secretary, and Robert Armstrong are all concerned about the security implications of including AT&T in a restructured Mercury and hope you will hold a meeting in September.
Agree to such a meeting?

Prime Minister

MERCURY RE-STRUCTURING

LWL
10/8

I have seen a copy of the Secretary of State for Trade and Industry's minute to you of 29 July. As he implies I have an interest in the proposal to include AT & T in a re-structured Mercury consortium because of the potential implications for our interception capabilities. It seems to me that the inclusion in the consortium of a foreign firm with communications expertise must increase significantly the risk to the security of sensitive activities undertaken in this field.

I recognise, of course, that the security aspect is only one of a number of considerations to be taken into account, but I would not wish a decision to be taken without its being given due weight. I therefore welcome the suggestion in Sir Robert Armstrong's minute to Sir Brian Hayes of 4 August that the matter should be fully discussed with the Departments concerned and yourself before any approach is made to AT & T. I should be glad to attend a meeting of the Ministers directly concerned under your chairmanship.

I am copying this minute to the Foreign and Commonwealth Secretary, who I understand is also concerned about the security aspect of the re-structuring proposals, the Secretary of State for Trade and Industry, and Sir Robert Armstrong.

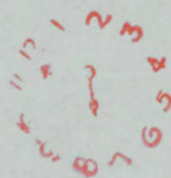
L.B.

10 August 1983

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10 DOWNING STREET

From the Private Secretary

11 August 1983

The Prime Minister has seen the Home Secretary's minute of 10 August about the Mercury re-structuring and has agreed to a meeting of Ministers on this issue. I shall be in touch to arrange a time.

B/E |

I am sending copies of this to John Holmes (FCO), Jonathan Spencer (Department of Trade and Industry) and Richard Hatfield (Cabinet Office).

Timothy Flesher

Tony Rawsthorne, Esq.,
Home Office.

RF

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